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New Cleveland manager

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not have such a system and depend entirely upon the taking of inventories to determine values and profits, it would be well to change their system of keeping accounts and introduce the more modern and efficient plan of charging the stock account with the purchases from time to time and crediting it with the withdrawals for manufacturing and sales at the price at which the charges were made against the stock account so that there would be a very close approximation from time to time of the inventory as well as profits or losses made in the business from month to month. This plan is calculated to insure accuracy at the end of each month (which is checked by actual count in most cases annually, in some cases oftener) but if not absolutely accurate it is near enough for the practical purpose of making a state return that may be required at some date other than that used for the federal government.

There is another important element in the consideration of the natural business year and that is the profession of public accountancy, whose usefulness is constantly growing in recognition and appreciation by the business world. It may be said that all of the states of the Union have recognized the profession of Certified Public Accountants by legislation that is practically uniform. The federal government and the states recognize the value of the profession by frequently employing its members. Public accountants are called upon, not alone for the periodical audits and certification of accounts, but in helping to solve problems connected with annual reports and to bring their knowledge and experience to bear on questions of taxation.

Because of the almost universal practice of making fiscal closings at December 31, the profession of public accountancy is overwhelmed with work for a few months following that date and has a compara-

tively much lighter practice during the remainder of the year. If inventories and fiscal closings were made at the end of the natural business year, there would be distributed throughout the year from time to time a vast amount of auditing, tax work, and kindred things which the profession of public accountancy has to do so that its forces could be maintained more evenly throughout the year and be able to render service far more valuable to business.

The public accountant has opportunity to form judgment upon this subject. The firm, of which I am a member, filled something over 4,000 engagements during the past year. The accountants worked unreasonably long hours during the rush period in order to give the service at the time it was required. This is typical of public accountancy conditions generally.

Let us accept the "natural business year" as our fiscal year and in the aggregate many millions of dollars will be saved to the business of the nation in countless phases of efficiency and economy.

We quote the following from *Finance and Industry* of June 18, 1921:

New Cleveland Manager

"Withdrawal of Mr. John N. Patton from the partnership of Haskins & Sells, public accountants, places charge of this district in the hands of Mr. Elijah Bates, who continues as manager of the Cleveland Office, in the Williamson Building.

"Mr. Bates, a Mt. Union College graduate, taught public school three years, was in the postal service four years, and has had nine years' experience as a practicing public accountant.

"He joined the staff of Haskins & Sells in 1915, and was appointed manager of the Cleveland Office four years later."